



WILLIAM T FUJIOKA
Chief Executive Officer

County of Los Angeles CHIEF EXECUTIVE OFFICE

713 KENNETH HAHN HALL OF ADMINISTRATION
LOS ANGELES, CALIFORNIA 90012
(213) 974-1101
<http://ceo.lacounty.gov>

April 8, 2008

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, CA 90012

Dear Supervisors:

ORDINANCE CODIFYING PREVIOUSLY APPROVED FRINGE BENEFIT CHANGES (3 VOTES)

SUBJECT

This ordinance updates and codifies previously approved fringe benefits changes as a result of 2006-09 fringe benefit agreements with the Coalition of County Unions, SEIU Local 721, and related Board actions affecting non-represented employees. It also makes technical corrections and clarifications amending Title 5 of the Los Angeles County Code.

IT IS RECOMMENDED THAT YOUR BOARD:

Approve the accompanying ordinance amending Title 5 of the Los Angeles County Code, to effectuate technical changes necessary to update and conform Title 5, to fringe benefit changes previously approved by your Board, and make other technical corrections and clarifications.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

The purpose of this letter is to submit an ordinance to your Board that will update and codify previously approved changes to various employee benefits affecting represented and non-represented employees. These changes are purely technical. They represent no substantive change in any employee benefit beyond those changes previously approved by your Board and already in place.

Board of Supervisors
GLORIA MOLINA
First District

YVONNE B. BURKE
Second District

ZEV YAROSLAVSKY
Third District

DON KNABE
Fourth District

MICHAEL D. ANTONOVICH
Fifth District

The prior Board approvals on the benefits affected by the accompanying ordinance are the result of the 2006-09 fringe benefit agreements with the Coalition of County Unions and SEIU Local 721, and related Board actions affecting non-represented employees. The changes addressed in the accompanying ordinance are as follows:

1. **Dependent Care:** Tax exempt dependent care reimbursement benefits are currently a feature within the cafeteria benefit plans applicable to represented employees (commonly known as the "Choices" and "Options" plans). However, beginning this year, the County is providing a limited subsidy toward employee expenditures for dependent care. Although these changes are already provided for in the 2006-09 fringe benefit memoranda of understanding, they must be incorporated into the County Code as well.

The County Code serves as the technical "plan document" for Internal Revenue Code compliance purposes. The accompanying ordinance makes the necessary technical changes to Title 5 to incorporate the new subsidy and to conform the ordinance to recently released Treasury regulations. Similar County Code changes are also being extended to non-represented employees for whom your Board previously approved a comparable benefit.

2. **Health Insurance for Disabled Employees:** Employees who have become disabled and are receiving benefits under the County's Long-Term Disability Plan, and survivors of such persons, may be eligible to continue to receive their active employee health insurance benefits under certain terms and conditions set forth in the Plan. Prior to 2008, employees could choose to pay for an elective benefit that provided a health insurance subsidy equal to 75 percent of the premium cost. This is also a tax exempt benefit.

The current fringe benefit memoranda of understanding provide for an automatic County paid 75 percent subsidy for all eligible employees beginning in 2008. A 100 percent subsidy is also available on an employee-pay-all elective basis. This and the above dependent care changes were a key part of the 2006 fringe benefit settlement. The accompanying ordinance makes the necessary changes to Title 5 relative to represented employees, and it restates and clarifies existing provisions for non-represented employees for whom a similar program was established in 2007.

3. **Other Technical Changes and Clarifications:** The accompanying ordinance updates Title 5 to reflect current levels of County contribution/subsidy to the various cafeteria benefit plans and attendant benefits where those amounts are expressed in dollars and cents. It sets operative dates for the various changes, deletes obsolete

provisions, and renumbers existing provisions where necessary. On advice of counsel, this ordinance adds to or restates various technical language where necessary to better track Federal tax law requirements. In addition, this ordinance clarifies that the recently created Chief Executive Office (CEO) positions of Deputy, CEO and Chief Deputy, CEO are eligible to receive the same life insurance benefits otherwise extended to County Department Heads.

FISCAL IMPACT/FINANCING

Adoption of the accompanying ordinance will generate no additional County cost. The ordinance merely codifies existing fringe benefit policy as embodied in existing memoranda of understanding or other previous Board actions. It makes no substantive changes.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS


The accompanying ordinance supports fringe benefit changes already approved by your Board. Local 721 supports adoption of the ordinance as it relates to represented employees and the Coalition of County Unions has expressed no opposition.

IMPACT ON CURRENT SERVICES (OR PROJECTS)

None.

The attached ordinance has been approved as to form by the County Counsel.

Respectfully submitted,



WILLIAM T FUJIOKA
Chief Executive Officer

WTF:DL
WGL:FF:df

c: Executive Officer, Board of Supervisors
County Counsel